

CHECKLIST FOR STARTING A BUSINESS



- ☐ **Determine your business' legal structure.** Contact an Attorney or CPA to determine the appropriate legal structure (i.e.; Sole Proprietorship, Partnership, Limited Liability Company, Corporation).
- ☐ **Register your business name.** There is no central agency where all businesses must register. Depending on the legal structure chosen, the business entity may be required to file with the local county clerk's office **OR** the State of Michigan (not both). To register Sole Proprietorships and Partnerships, contact the County Clerk's office at (586) 469-5120. To register Corporations and Limited Liability Companies (LLC), contact the Michigan Department of Labor and Economic Growth, Bureau of Commercial Services – Corporation Division at (517) 241-6470.
- ☐ **Arrange for registration and payment of federal taxes.** Contact the Internal Revenue Service at (800) 829-4933 for information. There is only one business entity that is not required to obtain a Federal Employer Identification Number (FEIN): a Sole Proprietor with NO employees. However, we recommend obtaining an EIN, even if you aren't required to. An EIN can be obtained by mail, phone or online at: <http://www.irs.gov/formspubs/index.html>
- ☐ **Register for the Michigan Single Business Tax and obtain a Sales Tax License, if required.** Contact the Michigan Department of Treasury, Sales, Use and Withholding Tax Division, Treasury Building, Lansing, MI 48909, (517) 636-4660 for information. You must file these forms at least 6 weeks before starting your business. (On the Registration for Michigan Business Taxes form, there is a box to check off if you need a sales tax license).
- ☐ **Obtain any special licenses that may be required.** Contact your local Small Business & Technology Development Center or the appropriate state agencies to determine if any state licenses are required. (Or check online at: <http://medc.michigan.org/services/license/index/>) Also, check with your city clerk to determine if any local licenses or registrations are required and to obtain the necessary forms.
- ☐ **Decide whether your business will hire employees.** If your business will hire employees, you should be aware of several additional requirements for employers. A separate list of employers' responsibilities is listed on the "Information for Employers" document. NOTE: Anyone who performs work for a corporation or receives some remuneration is considered an employee (including any "owners").
- ☐ **Ensure that the business will meet all air, water, and solid waste standards.** Contact the Michigan Department of Environmental Quality at (800) 662-9278 to determine which regulations apply to your business.
- ☐ **Be aware of hidden liabilities.** As the purchaser of even a portion of a business, you may be held responsible for the previous owner's liabilities, *regardless of any contractual language to the contrary*. Contact the Michigan Department of Treasury at (517) 334-8210 to obtain a Tax Clearance letter. Also contact the Unemployment Agency at (800) 638-3994 to obtain information on successor liability.
- ☐ **Make sure the location you have chosen is zoned appropriately for the type of business; that you meet all state and local building codes and barrier-free design rules; and that you have obtained a certificate of occupancy.** Contact your local government authorities, including the building department for pertinent information. Some inspections and alterations may be required to meet state and /or city codes. **If you are a home-based business** check with your city/township to see if they allow home-based businesses, if they have any additional requirements or registrations, and if there are any zoning issues.
- ☐ **Make sure the business is adequately insured.** Contact an insurance agent to determine the types of insurance the business should purchase. Shop around. Insurance rates and types of coverage vary greatly among insurance carriers.
- ☐ **Contact the Macomb County Small Business & Technology Development Center** if you have additional questions about starting your own business at (586) 469-5118 or visit the website at: www.misbtdc.org/region10